

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7202**

**BILL NUMBER:** SB 571

**NOTE PREPARED:** Jan 16, 2013

**BILL AMENDED:**

**SUBJECT:** Local Regulation of Farming.

**FIRST AUTHOR:** Sen. Banks

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires the Board of Animal Health to develop and adopt standards for agricultural and management practices. It provides that an agricultural operation shall not be found to be a public or private nuisance if the agricultural operation alleged to be a nuisance conforms to generally accepted agricultural and management practices according to the standards developed by the Board of Animal Health. The bill also provides that a political subdivision may not regulate agricultural operations by ordinance or resolution except as provided under a waiver process.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** *Board of Animal Health:* This bill requires the Board of Animal Health to develop standards for agricultural and management practices. These standards would be made available on the agency's web site. The bill also requires the Board of Animal Health to establish a toll-free telephone number for receipt of information on noncompliance with generally accepted agricultural and management practices.

The Board of Animal Health's expertise is generally animals and food safety, and not all agricultural practices. As a result, the bill's requirements represent an additional workload on the agency outside of the agency's routine administrative functions. The agency's existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

*Indiana State Department of Agriculture (ISDA):* The bill provides that political subdivisions may petition the Director of the ISDA for a waiver to adopt an ordinance to regulate agricultural operations. The ISDA Director would then be required to hold a public hearing to consider allowing the waiver. Any administrative impact to ISDA will depend upon the extent that petitions are received.

**Explanation of State Revenues:** *Agricultural Nuisance Actions:* This bill could reduce civil actions by providing that agricultural operations shall not be found to be a public or private nuisance if the operation conforms to generally accepted agricultural and management practices developed by the Board of Animal Health. The filing fee for civil actions is \$100. Of this fee, 70%, or \$70, is deposited in the state General Fund if the case is filed in a trial court. If a case is filed in a city or town court (providing that the court has jurisdiction), the state General Fund receives 55% of the \$100 filing fee. The anticipated changes in revenue are likely to be small.

**Explanation of Local Expenditures:** *Agricultural Nuisance Actions:* This bill could have an administrative impact on the caseloads of local courts if fewer civil actions are filed. However, the impact is likely to be small.

**Explanation of Local Revenues:** *Agricultural Nuisance Actions:* If a case is filed in a trial court, the county general fund receives 27%, or \$27, of the \$100 filing fee. The 3%, or \$3, is deposited in the general fund of the cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a circuit, superior, county, or municipal court located in the county. If the case is filed in a city or town court (providing the court has jurisdiction), the county general fund receives 20% while the city or town general fund receives 25%. The anticipated changes in revenue are likely to be small.

**State Agencies Affected:** Board of Animal Health; Indiana State Department of Agriculture.

**Local Agencies Affected:** Political subdivisions; Local civil courts.

**Information Sources:** Gary Haynes, Board of Animal Health, 317-544-2412.

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.